REMARKS

Claims 11 – 20 have been examined. Claims 11 – 14 stand rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written-description requirement; Claims 11, 13 – 15, and 17 – 20 stand rejected under 35 U.S.C. § 103(a) as unpatentable over U.S. Pat. No. 5,825,003 ("Jennings") in view of U.S. Pat. No. 5,903,881 ("Schrader"); and Claims 12 and 16 stand rejected under 35 U.S.C. §103(a) as unpatentable over Jennings and Schrader, further in view of U.S. Pat. No. 6,070,798.

Claim 11 has been amended for purposes of clarification as noted below. Claim 21 has been added and recites that the payment instrument is a credit card (Application, p. 5, l. 27).

1. §112 Rejections

The rejections of Claims 11 – 14 under §112 are respectfully traversed. The Examiner's attention is drawn to the following disclosure in the specification:

> Next, after the financial transaction is consummated between the buyer and seller (step 202), the buyer (e.g., user 14) contacts the money order system 100, preferably via the internet 12 (step 204). In this regard, the aforesaid internet contact is preferably accomplished through the provision of a hyper-link to the money order system site 100, which hyper-link is provided in the seller's web site. For instance, if it is an auction-based transaction, the auction site preferably provides a hyper-link on one of their web pages to web site of the money order system 100. Preferably, this hyper-link is provided on the web page awarding the buyer the highest bid, thus <u>all the awarded buyer needs to do after being awarded the bid is to click on the hyper-link</u> connecting to the money order system 100 so as to remotely purchase a money order from the money order system 100, which subsequently transmits that money order to the seller <u>without requiring the buyer 14 from leaving a computer terminal</u>.
> (Application, p. 5, ll. 12 – 23, emphasis added).

It is respectfully believed that this disclosure teaches the request to transfer at least some of the funds in the stored value account "in response to and substantially contemporaneous with consummation" of the transaction. The disclosure teaches that a

hyperlink be provided on "the web page awarding the buyer the highest bid" and teaches that the request be transmitted simply by the buyer clicking on the hyperlink during a single computer session, i.e. "without requiring the buyer from leaving a computer terminal." The hyperlink is thus provided in direct response to consummation of the transaction because it is provided "on the web page awarding the buyer the highest bid." The described embodiment also teaches that the transfer request be received substantially contemporaneously with consummation of the transaction because the form of the web page is described as inviting the buyer to initiate the request from that web page as part of a single computer session. Applicants thus respectfully believe that the language identified in the §112 rejection is supported by the original disclosure.

2. Prior-Art Rejections of Claims 11 – 14 and 19

With respect to the prior-art rejections of Claims 11 – 14 and 19, it is respectfully believed that there is no teaching or suggestion in Jennings of the limitation of "receiving a request … to transfer at least some of the funds … in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient." The Office Action cites a number of passages within Jennings as disclosing this limitation, and appears to identify the recited consummation of a transaction between the sender and recipient as the "settlement" function that is described in Jennings. Clearly the transfer of funds is not performed in response to settlement of the transfer; rather, the order of events is exactly opposite, with settlement being performed only after the transfer has been made (Jennings, Col. 5, ll. 55 – 60). Thus, as Applicants best understand, the disclosure of Jennings is being viewed in the Office Action as disclosing a "transaction between the sender and recipient" in the form of a funds transfer, with the settlement function being performed "in response to and substantially contemporaneous with" the funds transfer.

This construction of Jennings is inappropriate for several reasons. First, the settlement function is not properly identified with the transfer recited in the claims because there is no request received to perform the settlement; it is a function that is performed "automatically"

(*see, e.g.,* Jennings, Col. 26, l. 21). Second, to the extent that settlement involves transfers of funds, these transfers are not performed substantially contemporaneously with the underlying transfer transaction. Jennings teaches instead that "[t]his settlement procedure occurs on a periodic basis, for example, a daily basis, in accordance with techniques known in the art." While many transfer transactions may be performed over a given time period by the Jennings system, the settlement of those transfer transactions is performed later, and without receipt of a request to perform the settlement. Applicants acknowledge that Jennings teaches that "on receipt of a successful completion code the network switch initiates settlement between the two businesses by accruing corresponding entries on their head office settlement accounts, and then returns a completion code to the local FEP" (*id.*, Col. 5, ll. 55 – 59). But it is noted that this teaching only relates to *initiation* of settlement in a fashion that merely accrues accounting entries; it does nothing to change the normal practice in the art, and explicit teaching of Jennings, to perform the actual settlement itself on a periodic basis.

The Office Action also parenthetically notes the use of the "instantly" in Jennings in describing certain functions. But the use of the word "instantly" is made consistently in describing the underlying transfer transaction, not in describing the settlement functions and not in describing a temporal relationship between receipt of the request and consummation of the transaction, as is done in the claims. Because it appears that the Office Action may have construed the clause "in response to and substantially contemporaneous with consummation of a transaction between the sender and recipient" as modifying "to transfer" rather than "receiving a request," Claim 11 has been modified to make the interpretation unambiguous.

3. Prior-Art Rejections of Claims 15 – 18, 20, and 21

The rejections of Claims 15 – 18, 20, and 21 are respectfully traversed. Claim 15 sets forth a number of limitations that relate to a payment instrument (such as a credit card, Application, p. 5, l. 27). These include requiring that the request include information on the payment instrument, that an authorization request to charge the payment instrument be sent, and that an authorization to charge the payment instrument be received. Jennings is not at all

directed to use of a payment instrument for supporting a funds transfer over the Internet. Instead, Jennings is directed merely to transfers of funds among accounts. An account is clearly distinct from a payment instrument. In the previously filed response, Applicants requested a specific articulation of what part of Jennings is believed to disclose the limitations related to the payment instrument so that the reasoning of the Examiner may be fully considered and addressed. While the current Office Action cites a number of passages from Jennings, they all deal with conventional funds transfer between accounts and make no mention of any payment instrument that is charged.

4. Prior-Art Rejections of Claims 12 and 16

One necessary component for establishing a *prima facie* case under §103(a) is that there be some suggestion or motivation to combine teachings from references in the manner proposed. MPEP 2143. In the case of Claims 12 and 16, the Office Action proposes to modify Jennings in accordance with the teachings of Nether to effect the funds transfer by generating and sending a money order. Such a modification of Jennings is completely contrary to its own teachings, and such a teaching away from a modification has long been recognized as a strong indication that the proposed modification is *not* obvious.

In particular, Jennings is principally concerned with using funds transfers between accounts as a mechanism for avoiding the long delays associated with wire transfers (Jennings, Col. 1, ll. 17 – 56). The proposal to modify Jennings so that a money order is generated and sent to effect the funds transfer rather than using the electronic mechanisms that are taught is complete contrary to this goal of avoiding long delays. There is, thus, no motivation to modify Jennings as proposed.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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